



**ANALYSIS AND DECISION OF THE DIRECTOR
OF THE DEPARTMENT OF CONSTRUCTION AND INSPECTIONS**

**SEPA Threshold Determination
for
2023 Low-Income Housing/Affordable Units Land Use Code Omnibus Ordinance**

Project Proponent: City of Seattle, Office of Housing (OH)

PROPOSAL

The proposal is a non-project action to update and amend various provisions of the Land Use Code (LUC). The proposal would simplify, improve the readability, and increase the accuracy and consistency of the LUC where it describes and regulates low-income housing and other types of development with residential units subject to affordability restrictions. It is also meant to help facilitate the development of low-income housing.

Many of the proposed amendments, by virtue of being routine technical corrections and edits that improve clarity, accuracy and consistent use of terms, are intended to substitute new terms for old terms without changing the substantive meaning of the land use code regulation or substantively and adversely affecting the use or modification of the environment. Also, a number of these amendments only revise procedural rules and similar details. Both non-substantive text amendments and procedural amendments are categorically exempt from SEPA review according to SMC 25.05.800.T.

Specifically, the proposal's span of amendments are summarized as:

1. Delete obsolete and redundant LUC phrasing and definitions related to affordable housing and eligible residents;
2. Update the project-specific definition of "low-income housing" and add new unit-specific definitions for "low-income unit," "moderate-income unit," and "restricted unit." This would enable streamlining or deleting several pages of code text describing what constitutes low-income housing or an affordable unit throughout the LUC;
3. Simplify and increase consistency of housing affordability provisions by using those defined terms, as applicable, throughout the LUC. These would clarify, and improve readability of complex, unclear, or obsolete provisions specific to affordable housing;
4. Expand the design review exemption and authorization to request waiver or modification of certain development standards currently allowed for permanent supportive housing (PSH) to newly include all "low-income housing;"
5. Increase consistency of standard LUC provisions for low-income housing and other developments with units subject to housing affordability restrictions;
6. Consolidate all affordable housing-related provisions of incentive zoning in downtown zones in SMC Chapter 23.58A SMC; and

7. Simplify and improve clarity of LUC provisions related to restricted units, which are residential units subject to restrictive housing covenants recorded on the property title, including those in otherwise market-rate buildings.

The proposed changes are also summarized in the Director's Report prepared by OH that accompanies the proposed amendments.

Public Comment

The proposed changes to the Land Use Code require City Council approval. Opportunity for public comment will occur during future Council meetings and hearings. The proposal is also available online and comments will be taken by e-mail.

ANALYSIS – OVERVIEW

Environmental review resulting in a Threshold Determination is required pursuant to the State Environmental Policy Act (SEPA), WAC 197-11, and the Seattle SEPA Ordinance (Seattle Municipal Code (SMC) Chapter 25.05).

The following report describes the analysis conducted to determine that the proposal is not likely to result in *probable significant adverse environmental impacts*. This threshold determination is based on:

- the language of the proposed amendments and related contents as described above;
- the information contained in the *SEPA checklist* (dated April 10, 2023), including annotations made by SDCI staff;
- review of materials prepared as background information about the code amendments, prepared by City staff; and
- the experience of the SDCI analyst in reviewing similar documents and actions.

ELEMENTS OF THE ENVIRONMENT

Many of the proposed amendments are intended to substitute new terms for old terms without changing the substantive meaning of the land use code regulation or adversely affecting the use or modification of the environment. Also, a number of amendments only relate to procedural rules and similar details. The text amendments and procedural amendments may be categorically exempt from SEPA review according to SMC 25.05.800.T. However, this SEPA analysis aims to identify and interpret the extent to which various proposed amendments may generate net difference in future development outcomes and the related extent to which differences in indirect and cumulative adverse impacts could occur.

Short-Term and Long-Term Impacts

A. Natural Environment

Earth, Water, Water Quality, Plants/Animals/Fisheries/Marine Life

The proposal is not expected to generate significant adverse impacts for these natural environmental elements, at a non-project level or in its potential for cumulative impacts related to future development influenced by the proposal.

Seattle is mostly urbanized in its development patterns, but it also has retained greenbelts, hillsides, stream, river, bay, and lake environments with diverse kinds of plant, animal, fish and marine habitats. This includes many shoreline edges hosting birds, fish, and other marine life.

- Wildlife on land largely includes those species habituated to urban areas and fragmented vegetated areas in the city, with common types including squirrels, opossum, coyotes, and a variety of bird species including eagles. Threatened, protected, or endangered species that could be present near future development include heron, and salmon in locations downstream via natural drainages.
- The Puget Sound basin is home to a wide diversity of plant species that depend upon marine, estuarine, freshwater, and terrestrial environments. The Seattle area has a broad variety of vegetation, including upland forest (deciduous, coniferous, and mixed), shrublands, riparian forests, and wetlands. This flora includes species native to the region, as well as many non-native species. Seattle is a densely developed urban area having few remaining areas of native vegetation and high-quality habitat. These remaining fragments of quality native vegetation are found in parklands and open spaces. The plants found in most urban and suburban areas are those native and non-native species that tolerate or benefit from habitat degradation and disturbance
- Seattle has numerous soil types, including mineral soils dominated by clay, silt, or sand, as well as organic soils such as peats and mucks. No agricultural soils or prime farmland are located within the Seattle corporate limits. As a densely urbanized area, much of Seattle's native soils have been extensively altered by filling, grading, and other activity.
- The Seattle area is known to be within an active seismic area, as is the entire Puget Sound region. The City's geologically hazardous areas are defined by SDCI as environmentally critical areas (ECAs). Unstable soils and surfaces occur primarily in two contexts: 1) steep slopes and landslide-prone areas, where a combination of shallow groundwater and glacial sediments deposited in layers with variable permeability increases the risk of landslides; and 2) areas of fill or alluvial soils where loose, less cohesive soil materials below the water table with potential for liquefaction during earthquakes.
- Slopes in Seattle range from 0% to greater than 40%. The steepest slopes occur primarily on the sides of the major hills in the city, including Queen Anne Hill, Capitol Hill, West Seattle, and Magnolia.
- Most of Seattle is located within the Lake Washington/Cedar/Sammamish Watershed (Watershed Resource Inventory Area [WRIA] 8). The Duwamish Waterway and Elliott Bay are part of the Green/Duwamish and Central Puget Sound Watershed (WRIA 9). Seattle's surface waters include marine areas (Puget Sound), rivers, lakes, and creeks. Rivers and creeks include but are not limited to the Duwamish waterway, Longfellow,

Fauntleroy, Taylors, Thornton, and Pipers Creek. Freshwater lakes include the Lake Union/Ship Canal, Green, Haller, and Bitter Lakes and numerous ponds and wetlands.

This non-project proposal would result in no direct adverse or significant adverse impacts to earth, water, plants, animals, fish, or marine life environmental elements because it does not directly propose development. Similarly, this analysis identifies no adverse or significant adverse indirect or cumulative environmental impacts of this kind, due to a lack of a probable substantial difference in physical effects by which significant adverse environmental impacts could occur. This conclusion is based on a comparison of conceptual development outcomes that could occur under the current regulations versus the proposed regulations. No work over or within the identified waterbodies is proposed.

While future buildings with slightly more total floor area would be enabled, there likely would be no more than slight differences in total disturbance of site soils, because most relevant developments in Seattle would pursue buildings that result in similar levels of clearing and grading of a typical development site. Most typical developments clear a majority of a site during construction activities. This means that construction-period worst-case potential for spillover impacts to the environment, such as stormwater runoff carrying sediments from graded soils off the site, air emissions from construction dust, and construction noise would be approximately the same regardless of whether the proposal is adopted. Post-construction potential for discharges to water, emissions to air, and noise production would also be approximately equivalent with or without the proposal. Future development meeting City drainage control requirements would have little to no potential for runoff-related significant cumulative water quality and quantity impacts (such as sediments transporting from properties into streams or other waterbodies with fish habitat), although the effects of worst-case storm events or negligent actions could still be possible with or without the proposal.

The proposal would also not cause the location of future development to occur more intensively in any particular kind of properties with environmentally sensitive features such as steep slopes or locations near natural drainage systems. And the amount of development relevant to this proposal would be relatively minor in comparison to the full extent of future development activity in the city. Therefore, there are no identified additional earth, water, or plant/animal/fisheries environmental impact risk factors that would be substantially increased by the proposal. Also, the City's other current protective regulations would continue to be applied to future development, which would tend to mitigate and prevent impacts related to earth disturbances, pollutant washoff, and associated degradation of water quantity, water quality, and plant/animal/fisheries habitat.

Air Quality, Noise, Energy, Natural Resources Depletion, Environmental Health

This non-project proposal would result in no direct adverse or significant adverse impacts to these environmental elements because it does not directly propose development. Similarly, this analysis identifies no adverse or significant adverse indirect or cumulative environmental impacts of this kind.

Air Quality, Noise

Comparing future development scenarios for a typical site with or without the proposal, while it is possible that total floor area could be slightly larger with the proposal's code allowances, development sites would likely be fully or almost fully cleared during construction. This means

that the construction-period worst-case potential for spillover environmental impacts such as air emissions from construction dust, or noise generation would be approximately the same with or without the proposal.

Similarly, post-construction, because the range of low-income and affordable housing types relevant to this proposal can already be built under today's codes, the potential for adverse air quality and noise impacts from future development of this kind would be approximately equivalent with or without the proposal. Operational characteristics of this kind of housing would also be similar in nature with or without the proposal. This suggests a finding of no net difference in potential for these kinds of environmental impacts.

Energy and Natural Resource Depletion

The proposal would not be likely to generate significant direct, indirect, or cumulative adverse impacts of energy or natural resource depletion. Similar to the rationales discussed above, future development would be relatively similar in size with or without the proposal. Energy expended to build new buildings in future developments would be relatively similar on a site-by-site and cumulative basis with or without the proposal, although with slightly larger possible total floor areas, slightly more energy could be expended to build the buildings. This is not projected to result in significant adverse differences in citywide total energy consumption over the long-term. Also, any such future development would need to meet Seattle's energy codes, which are becoming progressively more energy-efficient and stringent in promoting energy conservation.

Relevant to this proposal, all future new construction and most rehabilitations of City-funded low-income housing are required to satisfy Washington State's Evergreen Sustainable Development Standards. In addition, low-income housing is newly constructed or substantially rehabilitated according to 2018 energy code rules, which largely prohibit fossil fuels.

Environmental Health

In certain zones, the proposal would exempt human service uses accessory to low-income housing from floor area limit calculations. To the extent that future supportive services in future buildings could include medical clinics or related services for on-site residents and possibly others, they might generate medical waste materials on a regular basis. Some waste such as used needles, for example, could be biohazards. These kinds of service providers would be required to follow normal precautionary safety protocols to collect and dispose of these kinds of materials. Releases of toxic or hazardous materials to the air are not anticipated. Therefore, the risk of improper disposal or release into the environment at any given future development site with these services would be minimal. This kind of potential impact would be the same with or without the proposal.

B. Built Environment

Land and Shoreline Use, Height/Bulk/Scale, Housing, Relationship to Plans and Policies

The proposal would result in no direct impacts and is unlikely to result in significant indirect or cumulative adverse impacts related to land or shoreline use. The City currently already allows a range of low-income and affordable housing types, including PSH as one example, in most areas of the city where multi-family residential development is allowed.

Thus, while the proposal may aid in permitting process efficiency for all types of low-income and affordable housing, it is unlikely to result in development and land use patterns that would be incompatible or substantially and adversely different in locational pattern, scale, siting or total building bulk profile from low-income and affordable housing than can be developed today. The City would retain SEPA authority to mitigate height, bulk, and scale impacts, if necessary, if a development proposal is subject to SEPA review.

Changes under the proposal:

The following would occur under the proposal:

1. *Aesthetic appearance would be more flexible for a greater number of future low-income housing developments.* With the proposal, making design review exemptions permanent (currently temporary until January 2024 – Ordinance 126741) for affected buildings, could result in differences in aesthetic appearance for a greater number of future low-income housing developments. The exemption would be expanded to include non-rental housing with initial and resale restrictions on sale prices for households with incomes no higher than 80 percent of area median income (AMI). This exemption is currently permanent for PSH, and temporary for certain other low-income housing that is typically rental housing providing $\leq 60\%$ AMI units. This change for non-rental housing would modestly increase the number of developments eligible for a design review exemption. Based on OH *ownership-housing* funding awards for 2020, 2021, and 2022, the potential net annual increase in use of the design review exemption for this kind of housing would average approximately two to three projects totaling approximately 40 to 60 total units. Based on OH *rental-housing* funding awards for 2020, 2021, and 2022, annual new construction of multifamily housing that is not PSH but is eligible for a design review exemption averages five to six projects totaling approximately 685 total units. In the last three years, approximately one-third of OH-funded rental housing new construction projects went through administrative design review instead of using the exemption. Reasons for pursuing design review vary depending on circumstances of a specific project or site, and might include desire to request certain departures. The proposed code text change described here replaces detailed eligibility requirements for affordable housing with the defined term “low-income housing.”
2. *Increased flexibility in the application of certain development standards for a greater number of low-income housing developments.* This would occur by making permanent the ability to request waivers and modifications related to the size of parking spaces, ratios of vehicle parking sizes, overhead weather protection, façades, and street level floors (but not width of structure), and other standards. Waivers or modifications that could increase the size of a development’s building envelope would continue to not be permitted, and all approved waivers and modifications would need to facilitate development of low-income housing. Authorization of these requests is currently permanent for PSH and temporary for housing, typically rental, with $\leq 60\%$ AMI units. Multifamily housing developments with units affordable $\leq 60\%$ AMI are currently allowed to request waiver or modification of certain development standards according to temporary provisions through January 2024, authorized by Ordinance 126741. Based on OH rental funding awards for 2020, 2021, and 2022, annual new construction of multifamily housing that is not PSH but temporarily allowed to request waiver or modification of certain development standards averages five to six projects and 685 total units. The proposed code text change described

here replaces detailed eligibility requirements for affordable housing with the term “low-income housing.”

3. *Slightly more usable floor area or slightly different allocation of uses by exempting accessory human services from counting toward floor area limits in Multifamily zones, NC and C zones, and SM zones.* This floor area exemption, which currently applies to PSH, would be expanded to apply to all low-income housing. Although PSH includes accessory human service uses far more frequently than other typical low-income housing, OH does have examples of the latter. For example, Plaza Roberto Maestas (completed 2016) has a business opportunity center on site, the University Food Bank is on the ground level floor of the Marion West Apartments (completed 2016), and Mercy Magnuson Place (2019 substantial renovation of vacant historic buildings at Magnuson Park) hosts a food pantry. Although it has not been done to date, a medical clinic/day center for seniors is another example of a human service use that would be compatible with some low-income housing developments. The proposed code text change described here replaces the term “permanent supportive housing” with the term “low-income housing.”
4. *Increased flexibility to include low-income housing as an allowable use along street-level, street-facing façades in NC and C zones and SM zones.* This flexibility, which currently applies to PSH, would be expanded to all low-income housing. Based on OH rental funding awards for 2020, 2021, and 2022, annual new construction of multifamily housing that is not PSH and would potentially benefit from increased flexibility for street-level use requirements averages five to six projects and 685 total units, with close to two-thirds of this development activity being in NC, C, and SM zones. The proposed code text change described here replaces the term “permanent supportive housing” with the term “low-income housing.”
5. *In DMR zones, applicability of slightly different maximum width requirements and authorization to waive or modify width requirements for street-facing façade and separation of structures requirements as a Type I decision are proposed to be allowed for a greater number of low-income housing developments.* Different maximum width requirements currently apply to existing housing if the owner commits to long-term affordability. The waiver and modification provisions currently apply to low-income housing with units \leq 60% AMI, which is a large majority of but not all low-income housing. These changes would have minimal impact in part due to the low likelihood of regularly securing developable sites in DMR zones. In the past 10 years, OH has funded three DMR zone low-income housing developments averaging approximately 140 units in size. The proposed code text change described here replaces detailed eligibility requirements for affordable housing with the term “low-income housing.”
6. *In LRI zones, simplify the applicability of an existing one unit per 400 square feet of lot area density exception to apply uniformly to all low-income housing.* This provision currently applies to low-income housing, but the language is unnecessarily complicated and includes conditions at odds with the low-income housing definition (e.g., developer type, lease terms, and duration for life of structure). The proposed code text change described here would be unlikely to increase utilization of this LRI density exception for low-income housing.
7. *In Seattle Mixed Rainier Beach (SM-RB) zones, a higher FAR [floor area ratio] limit would apply to a greater number of low-income housing developments.* FAR is a ratio that

measures density by comparing a building's floor area size to the property's size. Currently this provision only applies to affordable housing with $\leq 60\%$ AMI units, which is a large majority of but not all low-income housing. It excludes most affordable ownership housing for buyer households with incomes no higher than 80% AMI. For certain uses, including affordable housing, the FAR limit is increased by an amount equal to twice the floor area occupied by such use, up to a maximum increase of 1.0 FAR in SM-RB 55 and SM-RB 85 zones and 2.0 FAR in SM-RB 125 zones. The proposed code text change described here replaces detailed eligibility requirements for affordable housing with the term "low-income housing." To date, OH has funded one 119-unit low-income housing development in an SM-RB zone. That project was able to achieve up to 4.75 FAR, which is 1.0 FAR higher than the standard maximum.

8. *Change the list of uses permitted outright in C2 zones to include a greater number of low-income housing developments.* PSH is currently the only type of low-income housing permitted outright in C2 zones; other low-income housing would typically require a conditional use permit. This change would help facilitate low-income housing development in C2 zones, which could include redevelopment of a 1.4-acre property acquired in 2021 by a non-profit developer with the intention of securing permanent financing to create approximately 240 affordable apartments and child care for people in need.
9. *Allow an existing waiver of minimum parking requirements to potentially apply to a greater number of restricted units.* The proposed code text change replaces detailed parking exemption eligibility requirements for affordable units with the term "moderate-income unit," which limits housing costs to no higher than 80% AMI for rental units and 100% AMI for ownership units. For rental units, this means the provision's existing 80% AMI limit is unchanged. For ownership units, the affordability limit according to the definition of "moderate-income unit" increases to 100% AMI for ownership units with long-term housing covenants requiring affordability as high as 100% AMI. To date, there are no publicly funded homes subject to affordability limits higher than 80% AMI in Seattle. Development of such units would require exclusively private sector financing, which is unlikely. The original intent of this provision was to reduce parking-related housing costs. Few areas of Seattle currently have minimum parking requirements for multifamily housing (due to proximity of frequent transit service, per Chapter 23.54 of the LUC) and, even where the minimum applies, waiving it probably does not enough incentive for developers to be able to sell ownership units at below-market levels as high as $\leq 100\%$ AMI. Since 2018 when this parking exemption was first adopted, only one housing agreement has been executed for the purpose of reducing the amount of required parking. With that agreement, parking was exempted for the eight restricted units at 80% AMI in the 44-unit project. Based on these findings, this change is unlikely to alter the number of units developed with a parking exemption and any increase would probably be minimal.
10. *Allow existing provisions that waive or modify long-term bike parking requirements to apply to a greater number of restricted units.* The LUC currently exempts $\leq 30\%$ AMI units from long-term parking requirements, and the Director has discretion to also waive bike parking requirements for units $> 30\%$ AMI but $\leq 60\%$ AMI, provided a reasonable alternative is provided (in-unit vertical bike storage, for example). The proposal focuses the applicability of those waiver provisions on units in low-income housing. Restricted units in developments that are not publicly funded and in which units are largely market-

rate would not be eligible for this exemption. In those cases where alternative bike storage must be provided, the proposal increases the affordability limit to 80% AMI. That change provides additional flexibility and potential cost savings for publicly funded development of for-sale homes guaranteeing ongoing affordability (of initial sales and all future resales) for low-income buyers.

Interpretation of Impacts

Height, Bulk and Scale

Despite not leading to probable significant adverse impacts of land use, height, bulk, or scale, the proposal would alter the future methods of development review and give more regulatory flexibility in building design, which could generate adverse height, bulk, scale, and land use-related aesthetic impacts, compared to future development under current regulations:

- 1) The ability to exempt floor area for supportive accessory uses in relevant types of housing from counting against floor area limits would enable future development with more total floor area than would occur under current regulations, thus adding to potential total building bulk.
- 2) The ability to avoid design review processes would forego the benefits that can accrue from design review processes' ability to recommend and require adjustments in building bulk and scale (or appearance of bulk and scale), materials, and other aesthetic-related features.
- 3) The ability for SDCI to waive compliance with development standards such as minimum building modulation, overhead weather protection, and minimum street-level glazing, blank façade limits and use-type requirements, could reduce or eliminate the benefits these requirements have in shaping and moderating the appearance of building bulk and scale; and could reduce the relative aesthetic visual quality and overall consistency and compatibility of future buildings with their immediate context and vicinity. The proposal keeps existing Code language precluding the waiver or modification of any development standard if it would result in an increased size of the building envelope. This would be potentially most noticeable in vicinities that have pedestrian designations with minimum design performance standards. The degree to which this would occur depends on how many waivers would be requested and granted.

These factors would increase the probability of noticeable, adverse differences in the appearance of bulkier or less well-scaled buildings in future development, and could contribute to adverse aesthetic-related land use impacts in a vicinity to the extent that visual differences between the new building and existing buildings might be apparent and perceived as negatively contrasting with local building character or street level use character. Weighing the intensity and chance of occurrence for these kinds of adverse impacts in cumulative future relevant development, this analysis concludes that the cumulative impacts of the proposal would not likely rise to a significant adverse impact level with respect to land use, height, bulk, or scale.

Land Use Compatibility

The proposal to allow low-income housing as a use permitted outright in Commercial 2 (C2) zones would generate a potential that future residential uses would locate in places where they might be adversely affected by neighboring uses which consistent with the zoning category could include a variety of heavier commercial uses such as manufacturing and warehousing uses.

Currently, housing is a conditionally permitted use within the C2 zone with conditions that relate to avoiding negative consequences such as proximity to polluting or noisy uses that might annoy nearby residents; and, conversely, regulatory conditions that seek to avoid having residential uses impair the ability to operate commercial uses that are appropriately located within the C2 zone. Any potential increase in C2 zone low-income housing development activity is expected to be minimal. Applicants for City funding of low-income housing must demonstrate that location of sites maximize choice for low-income residents of Seattle and promote City goals to affirmatively further fair housing. Funding decisions take into account the extent to which locations provide access to transit, access to opportunities such as jobs, quality education, parks and open space, and services, advance equitable development goals, including those of local, community-based, historically-rooted non-profit organizations, and serve the needs of the intended population. Providing for low-income housing to be a use permitted outright in C2 zones would create the potential for adverse land use impacts if these future residential uses are located in places that create potential compatibility issues between residential and non-residential uses. The probability of such impacts would depend on the specific characteristics of given sites and their patterns of surrounding uses, possibly site and building design characteristics, and the conditions that could be tied to future building permits for such development.

As a whole, the proposal may improve the efficiency of permitting low-income housing and affordable housing, and would not likely result in future development that is incompatible with land uses or shoreline uses recommended in Seattle's land use plans. The future location of low-income housing and affordable housing would continue to be within zones where such forms of multi-family housing are authorized to locate according to the City's Comprehensive Plan, zoning, and Land Use Code. Because the magnitude of possible differences in building bulk under any given future development is limited and would continue to be regulated by the City's Land Use Code, the proposal would not likely lead to significantly incongruous height/bulk/scale outcomes between adjacent uses. Rather, it would likely continue to support development patterns with relatively smooth transitions between areas of different zoned intensity, and thus would not impact neighborhood character in a significant adverse manner. Also, given the limited numbers of probable low-income and affordable housing developments occurring in any given year, the probable magnitude of cumulative adverse land use impacts on any specific part of the city from more easily permitting this kind of housing is concluded to be minimal.

Housing

The proposed non-project action would not directly impact existing housing. The proposal would, however, enable greater ease in developing future low-income and affordable housing in zones where multifamily residential uses are possible. This would include faster permit review timelines for low-income housing and other residential development that includes units subject to affordability restrictions. It would also likely lead to efficiencies in allocation and use of floor area in such housing, such that more dwelling units likely would be enabled than would occur with development under today's codes. This determination identifies no probable significant adverse housing impacts, and no probable difference in the potential for displacement of existing housing compared to what is possible under today's codes.

Other changes could potentially reduce the capital cost of developing low-income housing, especially perhaps unexpected design review-related costs. Amendments to provisions exempting low-income housing from design review and allowing applicants to request

modifications and waivers for certain development standards, none of which could impact the size of the building envelope, are intended to facilitate the development of low-income housing. These provisions currently apply to a particular type of low-income housing (e.g. PSH - permanent supportive housing). They also apply on a temporary basis to low-income housing with a certain share of units restricted at no higher than 60% area median income (AMI). The proposed changes would mean developments where homes are sold to buyer households with incomes no higher than 80% AMI (specifically, ones creating homeownership opportunities through ongoing affordability of sales and resales for low-income buyers) could be eligible for an exemption from design review. Design Review tends to slow production timelines for new low-income housing. In addition to time lost during the design review process, design review guidance usually necessitates an infusion of additional City funds to keep much-needed affordable housing moving forward.

Relationship to Plans and Policies

The proposal also would support future development in a manner consistent with the City's Comprehensive Plan housing goals and policies; the following most relevant goals and policies are:

GOALS

LU G5 Establish development standards that guide building design to serve each zone's function and produce the scale and character desired, while addressing public health, safety, and welfare.

H G1 Provide fair and equal access to housing for all people in Seattle.

H G2 Help meet current and projected regional housing needs of all economic and demographic groups by increasing Seattle's housing supply.

H G3 Achieve a mix of housing types that provide opportunity and choice throughout Seattle for people of various ages, races, ethnicities, and cultural backgrounds and for a variety of household sizes, types, and incomes.

H G4 Achieve healthy, safe, and environmentally sustainable housing that is adaptable to changing demographic conditions.

H G5 Make it possible for households of all income levels to live affordably in Seattle, and reduce over time the unmet housing needs of lower-income households in Seattle.

POLICIES

H 3.2 Allow and encourage housing for older adults and people with disabilities, including designs that allow for independent living, various degrees of assisted living, and/or skilled nursing care, in or near urban centers and urban villages where there is access to health care and other services and amenities.

H 5.1 Pursue public and private funding sources for housing preservation and production to provide housing opportunities for lower-wage workers, people with special needs, and those who are homeless or at risk of being homeless.

H 5.2 Expand programs that preserve or produce affordable housing, preferably long term, for lower-income households, and continue to prioritize efforts that address the needs of Seattle's extremely low-income households.

H 5.3 Promote housing affordable to lower-income households in locations that help increase access to education, employment, and social opportunities, while supporting a more inclusive city and reducing displacement from Seattle neighborhoods or from the city as a whole.

H 5.4 Monitor regularly the supply, diversity, and affordability of housing for households by income level, and use this information to help evaluate whether changes to housing strategies and policies are needed to encourage more affordable housing or to advance racial and social equity.

H5.5 Collaborate with King County and other jurisdictions in efforts to prevent and end homelessness and focus those efforts on providing permanent housing and supportive services and on securing the resources to do so.

H 5.6 Increase housing choice and opportunity for extremely low- and very low-income households in part by funding rent/income-restricted housing throughout Seattle, especially in areas where there is a high risk of displacement. Also increase housing choice in areas where lower-cost housing is less available but where there is high frequency transit service and other amenities, even if greater subsidies may be needed.

H 5.13 Seek to reduce cost burdens among Seattle households, especially lower-income households and households of color.

H5.16 Consider implementing a broad array of affordable housing strategies in connection with new development, including but not limited to development regulations, inclusionary zoning, incentives, property tax exemptions, and permit fee reductions.

H 5.20 Implement strategies and programs to help ensure a range of housing opportunities affordable for Seattle's workforce.

Historic Preservation and Cultural Preservation

Seattle contains a number of landmarks, properties, and districts that are listed on, or proposed for, national, state, and local preservation registers. In addition, while Seattle today comprises a highly urbanized and developed area, it is also an area with potential for the presence of cultural artifacts from indigenous peoples.

The proposal is not likely to affect whether historic sites or structures might be redeveloped. Existing historic sites or structures are effectively protected by current regulations and so they may only be demolished in rare circumstances that occur with consent of the City. The proposal analyzed in this environmental checklist does not contain provisions that would increase the possibility of future development of low-income or affordable housing at historic sites or structures, meaning there is no net difference in the potential for adverse historic site impacts with or without the proposal.

The proposal is also not likely to result in development outcomes that would increase the potential for disturbance of cultural sites or cultural resources. Most cultural sites and resources at risk from future development in Seattle are in unknown locations due to their being buried under soils, although certain vicinities such as near-shore areas are known to have greater potential for presence of cultural resources given past activities of indigenous peoples. The proposal does not include provisions that would alter the likelihood of future development occurring in any given location or type of vicinity such as near-shore areas. And, the proposal does not include provisions that would be likely to increase total site clearing and grading of future development, because it is likely that most future development sites would be fully or almost fully cleared during construction with or without the proposal.

Also, implementation of the proposal would not affect the strength of the City's regulatory protection of cultural sites or resources if they are discovered during future development, which is addressed by other State and local regulations, policies, and practices. With or without the proposal, such processes are mandated to stop construction, assess the resources, and take appropriate next steps for the cultural resources' protection or preservation.

Transportation, Public Services and Utilities

The proposal would not be likely to generate significant direct, indirect, or cumulative adverse impacts on transportation, public services, or utilities, even though the proposal would accommodate additional floor area (due to floor area exemptions for supportive services) that could lead to slight increases in the residential density of any given future development. Although circumstances could vary in future development depending on factors such as site size, the potential difference in floor area might range from 100 square feet up to a few thousand square feet. Within such added space, if fully used for residential units, this analysis roughly estimates that anything from 1 to 10 dwelling units could be added to a typical future development benefiting from the proposal's code changes.

Transportation

Changes under the proposal:

- The proposal simplifies existing provisions that exempt long-term bike parking requirements for developments with restricted units with affordability $\leq 30\%$ AMI and $\leq 60\%$ AMI. For housing with restricted units $\leq 60\%$ AMI, the exemption is conditioned on provision of a reasonable alternative (e.g. in-unit vertical bike storage). The proposal modifies the existing minimum automobile parking requirement exemption for restricted units with affordability $\leq 80\%$ AMI so that the 80% AMI limit (rather than 60% AMI) newly applies specifically to rental units, and a higher 100% AMI limit applies to ownership units. AMI levels for publicly funded housing, including ownership housing, are capped at 80% AMI, so under the proposal this exemption would likely be used by the same types of projects. To date, there are no homes subject to affordability limits higher than 80% AMI in Seattle. Development of such units would require exclusively private sector financing, which is unlikely. The change provides greater consistency in use of defined terms, in this case the term "moderate-income unit," and would allow potential to develop restricted units with $\leq 100\%$ AMI affordability, albeit this may be unlikely to occur, without the added cost of parking for those units.

Relevant estimates of the amount of housing units potentially affected by the proposed bike parking changes:

- New construction of ownership low-income housing averages approximately two to three projects totaling approximately 40 to 60 dwelling units each year, which is the estimated amount of units that would be newly exempted from bike parking requirements as an outcome of the proposal.
- The proposal would focus applicability of the provisions on the restricted units within low-income housing, and not on restricted units \leq 60% AMI in otherwise for-profit, market-rate buildings. This would technically specify the continued application of bike parking requirements to approximately 60 to 70 restricted units per year based on agreements executed in 2020 through 2022.

Interpretation of impacts:

Provision of parking: With or without the proposal, automobile and bicycle parking would continue to be tailored to meet the needs specific to each low-income housing development. Areas with planned or existing transit access are already a priority for OH housing investments.

For bicycle parking, the minimum required bicycle parking for primarily long-term bicycle parking users could be reduced or eliminated depending on housing type. This does not necessarily mean that zero bicycle parking would be provided in most future low-income housing developments. However, for many such developments it could lead to a substantive reduction in the amount that would otherwise be required under the current code. If a constricted supply of bicycle parking is provided and demand is high at future low-income housing, a shortfall in bicycle parking could occur. This would represent a potential adverse but not significant adverse bicycle-related transportation impact of the proposal, which could be mitigated by additional bike parking features provided by a housing owner or operator at a later date, responsive to actual demand.

Access to and impact on transit service: Residents of low-income housing in transit-rich areas may be more likely to choose public transit than other modes of travel (automobiles or bikes, for example). However, marginal increases in transit ridership due to low-income housing development would be within ranges already contemplated by transit providers for multifamily areas. With or without the proposal, the Office of Housing will continue to prioritize funding for low-income housing development in areas that provide sufficient access to transit, jobs, quality education, parks and open space, and services, many of which are also areas where people are at high risk of displacement.

Traffic-related impacts

The statement made below about public services and utilities – a lack of probable different discernible growth patterns and trends in local development locations viewed at either a neighborhood, city sector, or citywide basis – also applies to lack of a particular pattern in traffic-related impacts.

Due to the proposed capability to exempt from floor area limits certain uses (such as human services) across a broader spectrum of low-income housing, additional floor area in residential uses may be enabled. Within the “building envelope” defined by land use regulations such as height limits and setbacks, this may result in additional dwelling units being provided in a typical development. This could vary widely from one or two dwelling units up to a higher amount. For purposes of this discussion, a “worst-case” amount of added units is assumed to be 10 for any relevant development affected by this proposal.

In low-income housing, a lesser level of automobile ownership would be probable in most cases compared to ownership levels in an average multifamily development, although this could vary from site to site. Typical multifamily units generate approximately 6 peak hour automobile trips per 10 dwelling units based on City permitting experience. Using a rough worst-case estimate of up to 10 dwelling units added to a future development due to the proposed code changes, if low-income housing residents were only half as likely to own an automobile, this could translate to only about 3 peak hour automobile trips per 10 housing units. At this rate, the difference in automobile traffic and impacts to the street system attributable to the proposed code changes would be negligible at any given future affected housing development of any size. This analysis therefore identifies no probable significant adverse transportation impacts, even on a cumulative impact basis.

Public Services and Utilities

The proposal would not be likely to generate different discernible growth patterns and trends in local development locations viewed at either a neighborhood, city sector, or citywide basis. Low- and moderate-income housing would continue to compete for available properties wherever they are available. Also, the particulars of the proposed code revisions would not be expected to generate overall demographic differences in the patterns of growth for the relevant kinds of housing. Therefore, no probable identifiable differences are anticipated that might adversely affect the provision of parks, police, fire/emergency services, or school facilities. The same applies to provision of utilities serving existing and future utility customers. This means that differential amounts or kinds of adverse impacts on these public services and utilities are not anticipated.

Public Services:

This non-project proposal would not result in direct impacts relating to public services because it would not result in future development of any particular location. Regarding indirect and cumulative impacts, this analysis concludes that the proposal's details would not result in significant adverse impacts upon the public services elements of police protection, fire/emergency services, schools, parks and recreation, transit service, health care or other similar public services.

Using the rough estimates above of approximately 1 to 10 additional dwelling units that might be accommodated in any given future development due to the proposal's floor area exemptions, the proposal could slightly increase total demand and calls for service for police protection and fire/emergency services. Given the limited size of this incrementally added demand, and the limited rate of these developments occurring in any given part of Seattle over time, this analysis concludes this is a potential adverse but not significant adverse impact.

Also considering an estimated possible low degree of net difference in future development sizing or timing, the proposal could generate slight increases in demand for parks and recreation facilities, transit service, health care and other similar public services. Potential increase in demands for school services could also be slight to modest, depending on the likelihood for children to be present in relevant types of housing, which could vary by housing type. However, it is difficult to predict to what extent overall rates of provision of low-income housing and affordable housing would increase due only to this current proposal. Therefore, only a slight-to-modest potential for adverse impacts on school services can be predicted in this programmatic-level analysis.

